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AZ CORP COMMISSION
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March 25, 2005

Docket Control
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007-2927

Arizona Corporation Commission

DOCKETED

MAR 28 2005

DOCKETED BY

KJ

Re: Docket No. T-04310A-05-0127 – Application of ATX Licensing, Inc. for a Certificate of Convenience and Necessity to Provide Resold Long Distance Telecommunications Services in the State of Arizona

Dear Sir or Madam:

On behalf of ATX Licensing, Inc. ("ATX"), enclosed for filing are an original and thirteen (13) copies of ATX's response to Staff's First Set of Data Requests in the above-referenced docket (see Tab 1). In addition, ATX provides replacement Original Pages 3, 29, 30, and 32 to its proposed tariff (see Tab 2). These replacement pages remove rates and charges that were interstate or international in nature and, therefore, should not have been included in the proposed intrastate long distance tariff.

Please date-stamp the extra copy of this filing and return it in the self-addressed, postage paid envelope provided. Should you have any questions, please do not hesitate to contact Brett Ferencak at (202) 424-7697.

Respectfully submitted,

Brett P Ferencak

Eric J. Branfman
Brett P. Ferencak

Enclosure

1

ATX Licensing, Inc.
Responses to Staff's 1st Set of Data Requests
Docket No. T-04310A-05-0127
March 25, 2005

AL 1-1 **Please explain how your company calculated the actual maximum and actual minimum rates that will be contained in your tariffs for each of your services.**

RESPONSE: The ATX tariff provides the current rate, and maximum rate for each element. The current rate is a standard charge we use across most states where we provide the services addressed, and it is calculated based on average cost of goods sold and the generally accepted market rates for the service. The maximum rate was figured as a function of other carrier's maximum rates, but are generally lower or equivalent to those found in other tariffs. While ATX has no knowledge of actual future costs to provide service or upward market trends, the maximum rate is a rate that ATX believes should encompass changes in these factors in the future.

RESPONDENT: Bruce Bennett
Vice President for External Affairs
ATX Licensing, Inc.
70 West Hubbard Street, Suite 410
Chicago, IL 60610

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AL 1-2

Please indicate why you believe that your range of rates is just and reasonable using a competitive market analysis. Your analysis may contain publicly available examples of rates charges by incumbent or other carriers for similar services or any other information that you believe demonstrates that your actual rates are just and reasonable. Please include any supporting materials.

RESPONSE:

Interexchange telecommunications rates set forth by ATX in the proposed tariff fall well below, or within reasonable range of competitors rates. The information below was collected from competitor tariffs as listed on the Arizona Commission web page.

Company	Product	Rate
<i>ATX Licensing Inc.</i>	<i>Long Distance – 1 Year term – Current</i>	<i>\$0.0690</i>
<i>ATX Licensing Inc.</i>	<i>Long Distance – 1 Year term – Maximum</i>	<i>\$0.1000</i>
ALLTEL Communications Inc.	Long Distance – lowest rate available on 1 Year Term	\$0.2090
Covista Inc.	Long Distance – “1+ Dialing”	\$0.1490
Frontier Communications	Long Distance – lowest rate available on 1 Year Term	\$0.1056
ICG Telecom Group Inc.	Long Distance – maximum rate	\$0.1830
<i>ATX Licensing Inc.</i>	<i>Toll Free Number Fee</i>	<i>\$4.00</i>
ALLTEL Communications Inc.	Toll Free Number Fee	\$7.50
Covista Inc.	Toll Free Number Fee	\$25.00
<i>ATX Licensing Inc.</i>	<i>Travel Card Per Minute Rate – Current</i>	<i>\$0.26</i>
<i>ATX Licensing Inc.</i>	<i>Travel Card Per Minute Rate – Maximum</i>	<i>\$0.50</i>
ALLTEL Communications Inc.	Calling Card Per Minute Rate	\$0.35
Covista Inc.	Calling Card Per Minute Rate	\$0.25
Frontier Communications	Travel Card Per Minute Rate	\$0.50
ICG Telecom Group Inc.	Calling Card Per Minute Rate	\$0.276
<i>ATX Licensing Inc.</i>	<i>Local Directory Assistance – per local call – Current</i>	<i>\$0.57</i>
<i>ATX Licensing Inc.</i>	<i>Local Directory Assistance – per local call – Maximum</i>	<i>\$0.95</i>
ALLTEL Communications Inc.	Directory Assistance	\$0.85
ICG Telecom Group Inc.	Directory Assistance – maximum	\$0.90

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Company	Product	Rate
<i>ATX Licensing Inc.</i>	<i>National Directory Assistance – per local call – Current</i>	<i>\$0.95</i>
<i>ATX Licensing Inc.</i>	<i>National Directory Assistance – per local call – Maximum</i>	<i>\$1.45</i>
ALLTEL Communications Inc.	Directory Assistance	\$0.85
ICG Telecom Group Inc.	Directory Assistance – maximum	\$0.90
XO Communications	Directory Assistance – maximum	\$10.00
<i>ATX Licensing Inc.</i>	<i>National Directory Assistance – per LD/8XX call - Current</i>	<i>\$1.48</i>
<i>ATX Licensing Inc.</i>	<i>National Directory Assistance – per LD/8XX call - Maximum</i>	<i>\$1.98</i>
ALLTEL Communications Inc.	Directory Assistance	\$0.85
ICG Telecom Group Inc.	Directory Assistance – maximum	\$0.90
<i>ATX Licensing Inc.</i>	<i>Account Codes – Current</i>	<i>\$5.00</i>
<i>ATX Licensing Inc.</i>	<i>Account Codes – Maximum</i>	<i>\$10.00</i>
Winstar Communications	Access Codes - Verified	\$15.00
Winstar Communications	Access Codes - Unverified	\$3.00
XO Communications	Access Codes – maximum	\$100.00
<i>ATX Licensing Inc.</i>	<i>Payphone Surcharge – Current</i>	<i>\$0.65</i>
<i>ATX Licensing Inc.</i>	<i>Payphone Surcharge – Maximum</i>	<i>\$0.85</i>
XO Communications	Payphone Surcharge – maximum	\$5.00
	All other carriers appear to be out of date.	

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March 25, 2005

AL 1-3

Please indicate why you believe that your range of rates is just and reasonable using a fair value or cost basis. Please include economic justification or cost support data. Please include any supporting materials.

RESPONSE:

Interexchange telecommunications rates are primarily market driven, if a consumer is offered better rates by another carrier it is easy for them to switch carriers. Therefore ATX's charges must be competitive with the going market rates for the services offered. As you can see in the response to AL 1-2, the company's rates fall well within ranges tariffed by our competition.

RESPONDENT:

Bruce Bennett
Vice President for External Affairs
ATX Licensing, Inc.
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AL 1-4 **Please submit a copy of ATX's Certificate of Good Standing refer to item (A-8) of the application form.**

RESPONSE: Please see the Certificate of Good Standing provided as Attachment A (AL 1-4) to this Response.

RESPONDENT: Brett P. Ferenchak
 Swidler Berlin LLP
 3000 K Street, Suite 300
 Washington, D.C. 20007-5116

 Counsel to ATX Licensing, Inc.

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AL 1-5 **Please submit a copy of ATX's affidavit of publication indicating that ATX has published legal notice of this application in the counties where the authority to provide service is requested.**

RESPONSE: The required legal notice was published in the Arizona Republic on March 23, 2005. ATX will file an affidavit of publication with the Commission as soon as it is received.

RESPONDENT: Brett P. Ferenchak
 Swidler Berlin LLP
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 Washington, D.C. 20007-5116

 Counsel to ATX Licensing, Inc.

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AL 1-6 **Please provide a financial statement reflecting the 12 month period ending December 31, 2004.**

RESPONSE: Please see the consolidated monthly operating statement provided in Attachment D to the Application. These financial statements reflect the 12 month period ending December 31, 2004.

RESPONDENT: Bruce Bennett
Vice President for External Affairs
ATX Licensing, Inc.
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AL 1-7

Please describe in as much detail as possible exactly how ATX was not aware that it was providing service to customers in Arizona. Also, please indicate if there are any other states in which ATX provides service without have a CC&N.

RESPONSE:

Until recently, ATX did not have a compliance plan in place that would provide guidelines as to where its Sales and Provisioning personnel could sell service. As a result, the Sales and Provisioning personnel agreed to provide service to branch locations of existing customers whose principal location was in a state where ATX was authorized to provide service. While the vast major of the services provided to the branch locations has been interstate or unregulated in nature, ATX recently determined that it was also providing a relatively small amount of intrastate long distance services in states where it was not authorized to do so. Upon learning of this issue, ATX has pursued obtaining the proper authorizations.

In order to prevent future situations where ATX sells services that it is not authorized to provide, ATX has developed and circulated guidelines for its Sales Managers and Provisioning team that indicate the states in which ATX is authorized to provide local and/or intrastate long distance services. In addition, ATX provides this information on its intranet website and is in the process of incorporating it in the training materials used for Sales and Provisioning personnel.

In addition to Arizona, ATX is currently providing service without a proper authorization in Alabama, Arkansas, Kansas, Maine, Mississippi, Nebraska, Nevada, New Hampshire, Oregon, South Carolina, Vermont, and Wisconsin. ATX has pending filings in all these states except New Hampshire, which ATX expects to file shortly.

RESPONDENT:

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ATTACHMENT A (AL 1-4)

Certificate of Good Standing

STATE OF ARIZONA



Office of the CORPORATION COMMISSION

CERTIFICATE OF GOOD STANDING

To all to whom these presents shall come, greeting:

I, Brian C. McNeil, Executive Secretary of the Arizona Corporation Commission, do hereby certify that

*****ATX LICENSING, INC.*****

a foreign corporation organized under the laws of Delaware did obtain authority to transact business in the State of Arizona on the 28th day of January 2005.

I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said corporation has not had its authority revoked for failure to comply with the provisions of the Arizona Business Corporation Act; that its most recent Annual Report, subject to the provisions of A.R.S. sections 10-122, 10-123, 10-125 & 10-1622, has been delivered to the Arizona Corporation Commission for filing; and that the said corporation has not filed an Application for Withdrawal as of the date of this certificate.

This certificate relates only to the legal authority of the above named entity as of the date issued. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's condition or business activities and practices.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 3rd Day of March, 2005, A. D.




EXECUTIVE SECRETARY

BY: 

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Issued: February 28, 2005

Effective:

Bruce Bennett, Vice President - External Affairs
ATX Licensing, Inc.
2100 Renaissance Boulevard
King of Prussia, PA 19406

SECTION 4 -RATES (Con'd)4.2 Usage Charges: Inbound/Outbound Domestic WATS – Dedicated

Uniform Rate Period: All calls, placed at any time, will be billed at the following uniform rate:

Term	Current Rate	Maximum Rate
1 Year	\$0.0690	\$0.1000
2 Year	\$0.0625	\$0.9500
3 Year	\$0.0590	\$0.9000

- 30 second minimum/6 second increment billing
- Minimum 1 year term plan.
- Each toll free number will be billed \$4.00 per month (maximum \$8.00 per month).

4.3 Usage Charges: Inbound/Outbound Domestic WATS – Switched

Term	Current Rate	Maximum Rate
1 Year	\$0.0690	\$0.1000
2 Year	\$0.0625	\$0.9500
3 Year	\$0.0590	\$0.9000

- 30 second minimum/6 second increment billing
- Minimum 1 year term plan.
- Each toll free number will be billed \$4.00 per month (maximum \$8.00 per month).

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4.4 Usage Charges: Domestic Corporate Travel Service

Standard Rate: \$0.26 per minute Maximum Rate: \$0.50 Per minute

- Standard travel pricing applies to all other call card calls
- Full Minute Billing

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SECTION 5- Federal Universal Service5.1 Federal Universal Service

The Universal Service Fee (USF) recovers the Telephone Company's contribution to various federal universal service funds. The Telephone Company will apply the USF Fee through a monthly surcharge applied to the total billed charges for interstate access services ordered by end users, as described below. The FUSF Revenue Surcharge will be determined by multiplying the contribution factor determined by the FCC, by the end user's total interstate access services charges at the billing account level.

The FCC contribution factor for the current quarterly period can be found on the FCC website at the following URL:

http://www.fcc.gov/wcb/universal_service/quarter.html

The Administrative Fee recovers the costs of administering certain programs, including, but not limited to, the Universal Service Fund and Telecommunications Relay Service fund. The Administrative Fee is charged at a flat 2% rate of all taxable billed amounts.

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